



Gas Processors Association

May 10, 2005 Public Meeting Comments

6526 East 60th Street
Tulsa, Oklahoma 74145

(918) 493-3872
(918) 493-3875 fax

email
gpa@gasprocessors.com

homepage
gasprocessors.com

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Duke Energy Field Services
Tulsa

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Annual Convention Dates

March 13-16, 2005
San Antonio Rivercenter

March 5-8, 2006
Gaylord Texan - Grapevine

March 11-14, 2007
San Antonio Rivercenter

Regional Meetings

September 9, 2004
Rocky Mtn. - Denver

October 12, 2004
Houston

November 4, 2004
North Texas - Dallas

April 19, 2005
Permian Basin - Midland

April 21, 2005
Midcontinent - Okla. City

I INTRODUCTION

I would like to thank the EPA for providing the Gas Processors Association (GPA) for the opportunity to comment on the proposed NPDES stormwater permit coverage for construction activities that disturb from one to five acres of land for the oil and gas industry. The GPA has served the light hydrocarbon industry since 1921 as an international, incorporated nonprofit trade association. The GPA consists of approximately 110 corporate members that are engaged in the processing of natural gas into merchantable pipeline gas, volume movement, or further processing of liquid products from natural gas. Member companies represent approximately 92% of all natural gas liquids produced in the U.S. As such, the GPA has a direct interest in this proposed rulemaking and in the protection of waters of the U.S. as it pertains to the oil and gas industry.

There are four main topics that I would like to address including

- The Clean Water Act Exemption
- Impact of the Proposed Rulemaking our Industry
- Funding and Staffing issues due to the large number of Potential Permitted Projects, and
- Streamlining of the Permitting Process and SWPPP Requirements.

II CWA O&G EXEMPTION

We are very pleased to see that the EPA is re-evaluating the scope and effect of the oil and gas (O&G) exemptions of the Clean Water Act (CWA) [Section 402 (1)(2)]. The EPA should also evaluate these exemptions as they apply to projects that are five or more acres in size. The GPA feels that all of these construction activities are an integral part to oil and gas production and should be exempt from stormwater permitting.

III IMPACT TO OUR INDUSTRY

However, if the EPA proceeds in requiring that small one to five acre O&G construction projects obtain coverage under some type of stormwater permit, the impact to our industry will be great. In 2004 the GPA collected and submitted data that was used by the Department of Energy to update the Estimated Economic Impacts for Proposed Storm Water Discharge Requirements on the O&G Industry. I would like to break down this data so that you can see the effect it will have on the light hydrocarbon industry. In the data that we provided, it was estimated that within the GPA membership there were over 8,300 ground disturbing pipeline construction projects annually. This number includes well head to gathering pipeline connections and gathering line construction projects. Construction projects at boosters, compressor sites, or processing plants were not included in this total. Of the 8,300 construction projects:

- Approximately 5,700 were less than one acre,
- over 300 sites were five or more acres and required coverage under the current general permit for stormwater discharges from construction sites,
- Leaving more than 2,300 sites with ground disturbing activities that are between one and five acres in size.

This reflects nearly an eight-fold increase in construction projects that would require permits under EPA's proposed rule. This number is conservative since access roads and staging areas and other potential construction activities will move additional sites from the under one acre category into the one to five acre category. These numbers only include GPA membership construction projects and do not include other oil field ground disturbing activities such as drilling pads and access roads, and non-light hydrocarbon drilling operations and gathering pipelines.

III Funding

With this in mind the EPA must ensure that there is sufficient staffing and funding within in the permitting agencies that will oversee the stormwater program to be able to handle the large volume of small one to five acre O&G construction stormwater permit requests and the inevitable questions relating to permitting activities. In addition, there are secondary permitting agencies that will be affected by the large increase in permits such as the U.S. Fish and Wildlife Service (FWS), State Historical Preservation Offices (SHPO), and Tribal Historical Preservation Offices (THPO).

IV Streamlining the Permitting Process and SWPPP

I would like to stress that there is a large difference between commercial or housing development construction activities and linear O&G pipeline construction activities. Linear construction in the O&G business is short-lived, quick to be planned, and only spans a few days. At the end of construction, all disturbed areas are typically returned to the original contours and re-seeded. The risk of pollution from this type of activity is less severe than commercial or housing development construction that may have active construction for many months.

Due to this reduced risk of pollution and to reduce the impact to our industry, agency funding and staffing issues, the GPA suggests that the EPA streamline the permitting process and SWPPP requirements to reduce the burden on industry and permitting agencies. Suggestions include:

1. Allowing permit by rule. Submittal of a NOI for every small O&G construction project is burdensome and unnecessary. An alternative to this is to allow blanket permits by geographical area. This could be done by grouping sections, regions, counties, or states. This would eliminate the 7-day waiting period for each individual O&G construction project within a permitted geographical area except for the initial NOI submittal for each geographical area. SWPPPs would still be required and once construction is complete all project documents and records (SWPPP, inspections, etc.) would be maintained a central location within the geographical area for agency inspection during the recordkeeping period.
2. Inspection requirements should be reduced. The GPA suggests that inspections be required once ever two weeks during construction; and then, once active construction has ceased, which would include placement of seed or other material for final stabilization, inspections would be conducted once every two months until final stabilization is complete.
3. Tailor the SWPPP requirements to include requirements specific to linear O&G construction projects. For example, remove the requirement to show areas that will be disturbed vs. non-disturbed since the entire right-of-way is typically disturbed during construction. Also, the current general permit includes a requirement to document weather conditions since the last inspection. Observing and documenting weather conditions would be difficult since these construction sites are typically remote and once construction is completed the sites are unmanned. In addition, records for weather data are maintained and easily obtained from a local National Weather Service office; and including this in the record keeping requirement would be redundant.
4. Finally, allow clear exemptions for projects that are not in the immediate vicinity of or do not cross Waters of the U.S. since there would be no discharges to these waters. This could be easily done by geographical area taking into account vegetation, slope, and distance to waters.

V CONCLUSION

This concludes the GPA's comments on the proposed NPDES stormwater permit coverage for construction activities. We are available to provide information to assist the EPA in fully understanding the impact of the rule on the gas industry. If you need any additional information on these comments please contact Mr. Tom Fisk at (303) 595-3331.